



The President's Daily Brief

19 September 1973

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~~*Top Secret*~~^{25X1}

FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

19 September 1973

PRINCIPAL DEVELOPMENTS

King Husayn hopes his amnesty toward convicted, detained, or wanted fedayeen--announced yesterday--will induce Syria to restore relations with Jordan and open the way for a resumption of Kuwait's annual subsidy. (Page 1)

The dollar weakened against major European currencies following the revaluation of the Dutch guilder last weekend but remains significantly stronger than it was in July and early August. (Page 2)

In Chile, attacks on security forces seem to be tapering off, and the junta plans to begin its economic restructuring effort in earnest today. (Page 3)

Chinese

(Page 4)

Notes on USSR-Egypt and Cambodia appear on Page 5.

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JORDAN-FEDAYEEN

King Husayn's announcement yesterday of a general amnesty for all convicted, detained, or wanted fedayeen, whether in or out of Jordan, was reportedly prompted by his belief that he has been too dogmatic and negative since the 1970 civil war--a mood induced by his meeting with Sadat and Asad in Cairo last week. He still has no intention of allowing the commandos to establish actual bases, nor does he intend to take part in any Arab military "adventures." In fact, [redacted]

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[redacted] his gesture will weaken the fedayeen, since it may lead to in-fighting and possibly even reprisal assassinations against those accepting the offer.

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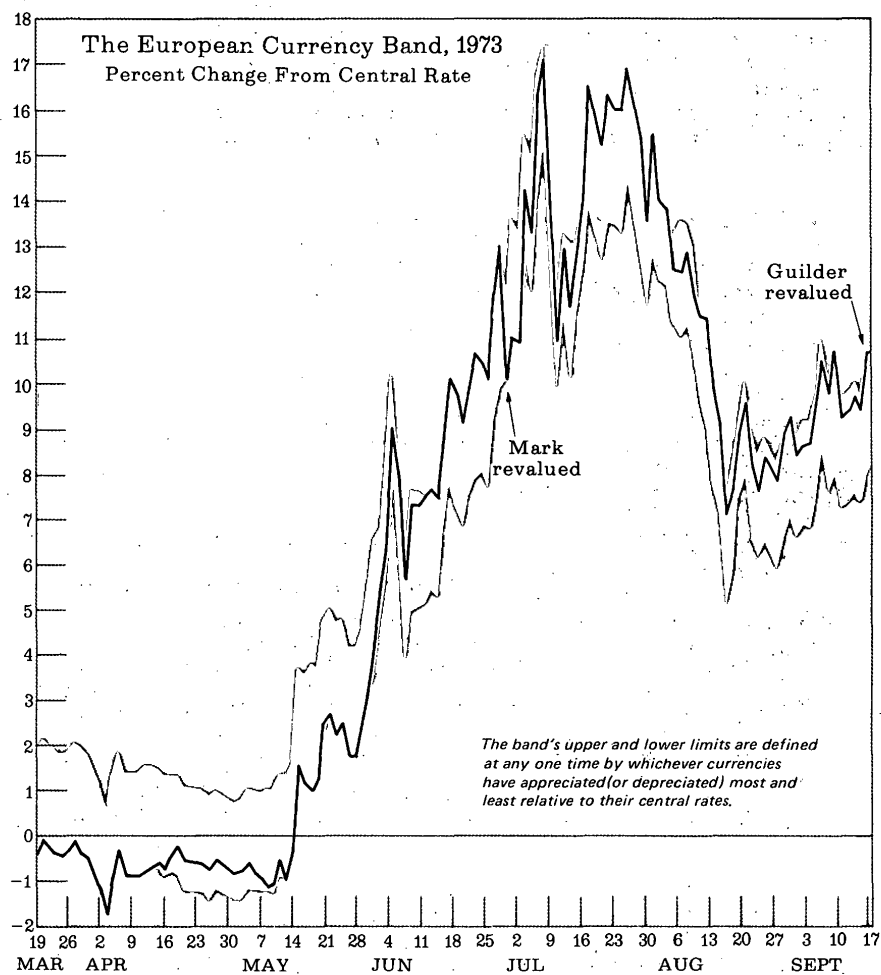
Husayn is obviously hoping that this move will give Asad the excuse he needs to restore relations with Jordan; he has apparently become convinced that his continued adamant position could undermine Asad at home. He may be responding, too, to pressure from Sadat to help Asad remain in power [redacted]

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Husayn also hopes that the amnesty will open the way to a resumption of Kuwait's annual subsidy. In this he is probably mistaken. If anything, Kuwait has recently hardened its line on the subsidy; a government spokesman told the press last Sunday that restoration of relations with Egypt and Syria would not be enough, and that the PLO itself would have to approve. Such approval is unlikely to be forthcoming. PLO propaganda organs in Lebanon have begun a concerted campaign against any Arab rapprochement with Jordan, and Asad moved this week to shut down Fatah outlets in Syria that had condemned the Cairo meeting.

Husayn could find himself hard put to sell the amnesty to his army, which is vehemently opposed to the slightest sign of conciliation toward the fedayeen, and dead set against allowing any of them back into the country.



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INTERNATIONAL MONETARY DEVELOPMENTS

The dollar weakened somewhat on Monday and Tuesday against the major European currencies following the revaluation of the Dutch guilder last weekend. The dollar is significantly stronger than it was in July and early August, however, and the Bundesbank reportedly has no plans to support it unless the dollar rate falls to 2.40 marks. The dollar closed at over 2.41 in Frankfurt yesterday.

Traders shifted into marks and Belgium francs anticipating that these currencies would appreciate and possibly even be revalued in the wake of The Hague's decision. The renewed strength of the German and Belgian currencies required increased intervention by major European central banks to maintain the European joint float. The French and Norwegian central banks, whose currencies are now at the bottom of the float, are selling the strong currencies while the German and Belgian central banks have been buying French francs and Norwegian crowns.

The EC commission publicly criticized The Hague for acting without prior EC consultation, although it recognized the domestic economic justification for the revaluation. [REDACTED]

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[REDACTED] fear that the Belgian Government--despite its intentions to maintain the franc's parity--may be forced to revalue.

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CHILE

Attacks on security forces seem to be tapering off. Santiago and the provinces were quiet yesterday, although arrests of extremists and raids in search of weapons reportedly have increased.

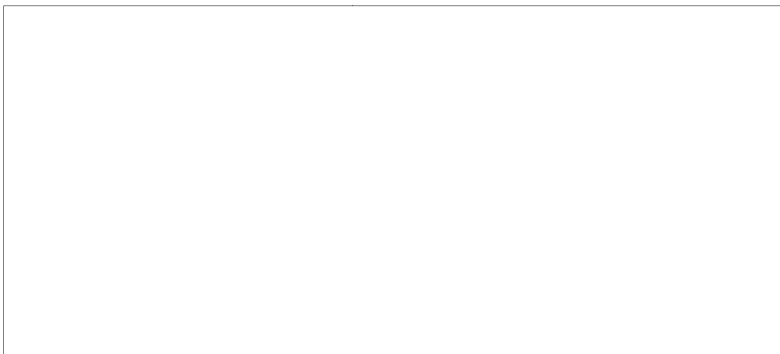
The regime now says that many of the 5,200 persons under arrest will be freed after interrogation. It claims the arrests were required to prevent the escape of persons suspected of armed resistance or sabotage. These individuals will be tried by military courts.

The junta plans to begin its economic restructuring effort in earnest today, the first regular work day since the coup. Government workers have been told that if they do not appear today, they will lose their jobs. Apparently in an effort to avert labor problems by giving workers a sense of participation, the government is considering turning over 50 percent ownership of state-owned enterprises to workers and selling the remainder to the public. Companies taken over by the Allende government, but not legally owned by the state, reportedly will be returned to their owners.

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CHINA



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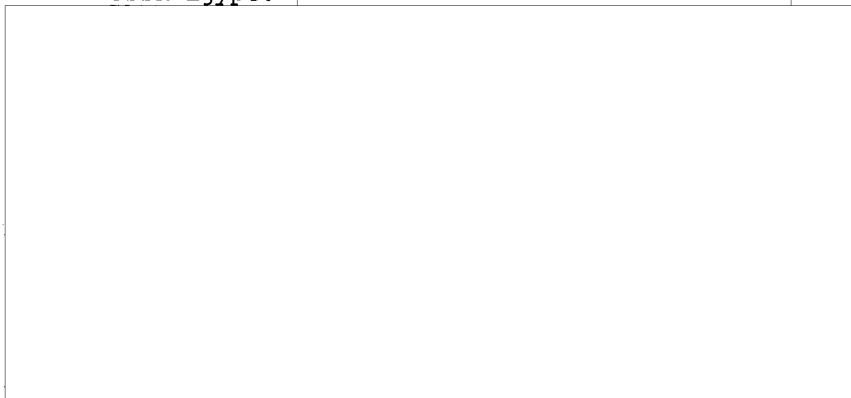
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NOTES

USSR-Egypt:

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UN-Cambodia: Phnom Penh's prospects for retaining its seat at the United Nations have been strengthened by Japan's agreement to serve on the credentials committee of the General Assembly. Probably joining Japan and the US to validate Phnom Penh's credentials would be Nicaragua, Uruguay, and Greece. Objections are expected from China, Tanzania, and the Central African Republic, with an abstention from the USSR.

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